

1 HONORABLE RICHARD A. JONES
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10 UNITED STATES DISTRICT COURT
11 WESTERN DISTRICT OF WASHINGTON
12 AT SEATTLE
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CERTAINTEED CORPORATION,

15 Plaintiff,

v.

16 SEATTLE ROOF BROKERS, et al.,

17 Defendants.
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CASE NO. C09-563RAJ

ORDER & PERMANENT
INJUNCTION

I. INTRODUCTION

This matter comes before the court on four motions. Three are summary judgment motions, two (Dkt. ## 27, 28) from Defendant James Garcia and one (Dkt. # 40) from Plaintiff CertainTeed Corporation (“CertainTeed”). CertainTeed has also filed a motion to compel discovery (Dkt. # 22), which Mr. Garcia did not oppose. Mr. Garcia has not requested oral argument; CertainTeed requested oral argument solely on its motion for summary judgment. The court finds oral argument unnecessary. For the reasons stated below, the court DENIES Mr. Garcia’s motions (Dkt. ## 27, 28), DENIES CertainTeed’s discovery motion (Dkt. # 22) without prejudice, and GRANTS in part and DENIES in part CertainTeed’s summary judgment motion (Dkt. # 40). At the conclusion of this order, the court imposes a permanent injunction on Mr. Garcia and sets a new mediation deadline.

ORDER – 1

II. BACKGROUND

CertainTeed's roofing products division manufactures, among other things, asphalt shingles. CertainTeed has been in this business for decades, although its product lines have evolved over time. All asphalt shingles consist of a base layer coated on both sides with asphalt. The asphalt typically has additives, including small pebble-like granules that give the shingle an exterior texture.

Asphalt shingles are either organic or fiberglass. Organic shingles consist of an organic “felt” base made of paper or wood fiber, to which a top and back asphalt layer are applied. Metz. Decl. (Dkt. # 32) ¶ 8. Fiberglass shingles have a fiberglass base layer, and, in contrast to organic shingles, the top and back asphalt layers permeate the fiberglass base and join with each other. *Id.* ¶ 9. CertainTeed last made organic shingles in 2005. Gardiner Decl. (Dkt. # 41) ¶¶ 6-8. CertainTeed has manufactured fiberglass shingles since the 1960s, and continues to manufacture numerous fiberglass shingle product lines today. *Id.* ¶ 7. Among those fiberglass shingles are the “Presidential” and “Presidential TL” lines, which CertainTeed has sold since it acquired the brand from another manufacturer in 2000. *Id.* ¶ 10. The previous manufacturer began selling Presidential shingles in 1987. *Id.* ¶¶ 10, 17.

James Garcia operates a sole proprietorship named Seattle RoofBrokers, although he sometimes uses similar trade names, such as Everett RoofBrokers or Tacoma RoofBrokers. Garcia Decl. (Dkt. # 47-2) ¶ 1. He owns www.seattleroofbrokers.com and similar internet domain names, and controls the content of a website at those addresses. Because none of Mr. Garcia's roofing enterprises are incorporated, the court will refer to Mr. Garcia as the sole Defendant in this matter.

Although Mr. Garcia distributes information about roofing products, he is not himself a roofer and has never installed a roof. Garcia Depo. at 24.¹ He is not a licensed

¹ Excerpts from Mr. Garcia's deposition are found at Exhibit 2 to the first declaration of Adam Hughes (Dkt. # 35) and Exhibit 3 to the declaration of Brian Esler (Dkt. # 46).

1 contractor. Garcia Depo. at 42. Although he inspects his customers' roofing as it is
2 being installed, he is not an inspector. Garcia Depo. at 54, 97-98. Prior to 2000, he had
3 no roofing experience whatsoever. Garcia Depo. at 18-22. Beginning in 2000, he
4 worked for another roof "brokerage," a business that makes money by connecting
5 homeowners to roofers and retaining a portion of the cost of the roofing project. He
6 started Seattle RoofBrokers in 2004 or 2005. Although Mr. Garcia has refused to
7 disclose many of his business practices, he generates some portion of his business by
8 driving around neighborhoods in search of homes that he believes need new roofs.
9 Garcia Depo. at 60. He then targets those homes with letters promoting his services.

10 Mr. Garcia attracted CertainTeed's attention as early as 2008, when CertainTeed's
11 regional representative, Mark Ivers, first received word from roofers that Mr. Garcia had
12 sent communications to their customers and prospective customers warning them of
13 problems with CertainTeed's asphalt shingles, including the Presidential products. The
14 declaration of homeowner Devonda Fox is illustrative of Mr. Garcia's practices. In 2009,
15 Ms. Fox contacted a roofer to receive a quote to replace the aging cedar shake roof on her
16 Everett home. Fox Decl. ¶¶ 2-5. After the roofer provided a quote, she received a letter
17 ("Fox Letter") in July 2009 from Seattle RoofBrokers. The court reproduces the letter in
18 its entirety.

19 Dear Mr. & Mrs. Fox,

20 When it's time to re-roof, please talk to me before making any final
21 decisions because I specialize in providing homeowners with *information*
roofers don't want you to know. Initially we focus on providing the
22 information you need to choose the right material (metal, rubber, cedar or
asphalt) then, whatever product you select, **we guarantee to save you
23 money.**

24 I will provide an unbiased comparison between all available "**architectural
25 style**" asphalt shingles. There are significant differences in quality between
26 the products, but most homeowners never get the facts because roofers only
try to "sell" you the product they have already chosen to install. I will help
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1 you find the best value – by directing you to a shingle that is **twice as good**
2 **as any other option.**

3 I will also provide unbiased information on the history of premature failure
4 of “**pumpkin tooth style**” shingles. All these products use the same basic
5 design – connecting a multiple layer bottom section to a single layer base.
6 All roofers know (or should know) these products cannot pass resale
7 inspection after about fifteen years because the seam connecting the single
8 layer base to the lower multiple layer pumpkin tooth section starts to split
9 apart at that age. The seam is the weak link in the product design.

10 I have enclosed a picture of a failing “Presidential Shake”
11 there are six (6) areas where the seam is already splitting,
12 allowing water to flow directly over the nailing area.

13 And this roof is less than fifteen years old!

14 And, of course, I will also provide unbiased information on your “**slate**
15 **style**” asphalt options. I am sure you have questions – and I have all the
16 answers. Rest assured that, when it comes time for you to select a product,
17 I will be your best resource of information on any/all roofing options. **Call**
18 **me for a free consultation and estimate.**

19 [Mr. Garcia’s signature omitted.]

20 P.S. Did you know that CertainTeed “pumpkin tooth” products
21 (Presidential Shake, Presidential TL) and the Landmark series of shingles
22 are currently part of a class-action lawsuit for premature failure?

23 Fox Decl., Ex. 1 (emphases in original). Enclosed with the letter was a photograph of a
24 section of an asphalt shingle roof, containing approximately 25 shingles. The shingles
25 are “pumpkin tooth” style, meaning that there is a rectangular “tooth” extending from the
26 bottom of the main portion of the shingle. Pumpkin tooth shingles create an appearance
27 similar to cedar shake shingles. Although it is difficult to tell from the reproductions of
28 the photograph provided to the court, it appears that some of the shingles in the
photograph have horizontal cracks running along their upper exposed portions.

29 Mr. Garcia sent a similar letter in autumn 2009 to Stuart Schell (“Schell Letter”), a
30 homeowner in Snohomish. Unlike Ms. Fox, Mr. Schell received his letter after his home

1 had already been reroofed with Presidential shingles. Schell Decl. ¶¶ 1-6, Ex. 1. The
 2 letter to Mr. Schell included the www.seattleroofbrokers.com address in its signature line.

3 Mike Daniels, an experienced Seattle-area roofer, was contacted by a customer for
 4 whom he had provided a quote. Daniels Decl. ¶¶ 2-4. The customer had spoken to a
 5 friend who had received one of Mr. Garcia's letters, and was concerned about using
 6 Presidential products. *Id.* Mr. Daniels then contacted Mr. Garcia, acting as if he was a
 7 customer interested in putting a new roof on a cabin. *Id.* ¶¶ 6-11. When Mr. Daniels said
 8 he was considering using Presidential TL shingles, Mr. Garcia told him that Presidential
 9 shingles rarely last more than ten years from their installation date, and that CertainTeed
 10 used fillers in its shingles that shortened their life expectancy. *Id.* ¶¶ 8.

11 Mr. Ivers received calls from the roofers whose customers learned of Mr. Garcia's
 12 letters, and was asked to speak directly to the customers in an attempt to allay their fears
 13 about CertainTeed products. Ivers Decl. (Dkt. # 45) ¶¶ 18-25. In one incident, a roofer
 14 provided Mr. Ivers a copy of a different letter ("Dear Homeowner Letter") that a
 15 customer had received from Mr. Garcia in 2008:

16 Dear Homeowner,

17 I was in your development today to meet with one of your neighbors and
 18 noticed all your cedar roofs are being replaced with CertainTeed
 19 Presidential "pumpkin tooth" style asphalt shingles. My first impression of
 20 the situation in your development is that the HOA did not understand the
 quality (or history) of "pumpkin tooth" style asphalt shingles in general and
 specifically the CertainTeed Presidential line of products.

21 *I suspect the HOA was not told that CertainTeed is currently in a class-
 22 action lawsuit (again) for marketing "defective" roofing shingles – and
 23 that the Presidential TL is a named product in the class-action suit.*

24 *I suspect the HOA was not told that this product (or any "pumpkin tooth"
 25 style product) will not be able to pass a resale inspection after 15 to 20
 26 years – because the seam connecting the single base layer to the multiple
 27 layer "pumpkin tooth" starts to split apart at that age.*

1 *I suspect the HOA did not even ask to see any 15 year old “pumpkin*
2 *tooth” installations before requiring homeowners to purchase a product*
3 *with a history of premature failure.*

4 It is unfortunate that in their obvious attempt to maintain existing property
5 values within the development, the HOA approved a roofing product that is
6 actually of lower quality than the typical “old growth” treated cedar
7 shake... which is still available today. [remainder of letter omitted]

8 Ivers Decl. (Dkt. # 45), Ex. 1 (emphases in original). The Dear Homeowner Letter
9 included no photograph. Again, Mr. Ivers invested substantial time in convincing the
10 customer that the statements in the letter were false. *Id.* ¶¶ 7-17.

11 The Seattle RoofBrokers website contains similar attacks on asphalt shingles
12 generally and on CertainTeed products. As of May 2010, the website named the
13 Presidential TL, Presidential Shake, and other CertainTeed products as targets of “over
14 20 class-action lawsuits for shingles manufactured between 1987 and 2008.” Esler Decl.
15 (Dkt. # 46), Ex. 1 (CT00853). He contends that there are numerous “examples” of
16 CertainTeed asphalt roofs failing within six to fifteen years, but does not cite the source
17 of those examples. *Id.* (CT00854). He states that “one roofing contractor reports
18 submitting over 600 warranty claims to CertainTeed within the last 4 years,” but provides
19 no substantiation for that assertion. *Id.* He contends that “most roofs fail in 10 to 15
20 years,” *id.*, again without substantiation.

21 The content of Mr. Garcia’s website shifts over time. When CertainTeed filed this
22 lawsuit in April 2009, the website contained no specific references to CertainTeed other
23 than to list it as one of many asphalt shingle manufacturers. Esler Decl., Ex. 4. When the
24 court visited the website on June 10, 2010, it contained many references to CertainTeed,
25 but the vast majority of those references discussed the terms of CertainTeed’s warranties.
26 The website also contained a single citation to CertainTeed’s interrogatory responses in
27 this lawsuit. CertainTeed filed at least three versions of portions of the website in various
28 declarations. For purposes of this order, the court focuses on the April 2009 version and

1 the May 2010 version. Esler Decl. (Dkt. # 46), Ex. 1 (May 2010 version), Ex. 4 (Apr.
2 2009 version).

3 CertainTeed sued Mr. Garcia in April 2009, challenging Mr. Garcia's practices on
4 a variety of legal grounds. CertainTeed now seeks summary judgment on its Lanham Act
5 and Washington Consumer Protection Act ("CPA") false advertising claims. It also
6 contends that it is entitled to permanent injunctive relief. It has also challenged Mr.
7 Garcia's failure to provide adequate discovery responses. Mr. Garcia has submitted two
8 partial summary judgment motions.

9 III. ANALYSIS

10 The parties' summary judgment motions require the court to draw all inferences
11 from the admissible evidence in the light most favorable to the non-moving party.
12 *Addisu v. Fred Meyer, Inc.*, 198 F.3d 1130, 1134 (9th Cir. 2000). Summary judgment is
13 appropriate where there is no genuine issue of material fact and the moving party is
14 entitled to a judgment as a matter of law. Fed. R. Civ. P. 56(c). The moving party must
15 initially show the absence of a genuine issue of material fact. *Celotex Corp. v. Catrett*,
16 477 U.S. 317, 323 (1986). The opposing party must then show a genuine issue of fact for
17 trial. *Matsushita Elect. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986). The
18 opposing party must present probative evidence to support its claim or defense. *Intel*
19 *Corp. v. Hartford Accident & Indem. Co.*, 952 F.2d 1551, 1558 (9th Cir. 1991). The
20 court defers to neither party in answering legal questions. See *Bendixen v. Standard Ins.*
21 *Co.*, 185 F.3d 939, 942 (9th Cir. 1999).

22 In this motion, CertainTeed challenges many of Mr. Garcia's statements as false
23 advertising in violation of the Lanham Act and the CPA. The challenged statements
24 appear either on Mr. Garcia's website or in letters that he has sent to Seattle-area
25 homeowners. It is not always clear precisely which statements CertainTeed targets.
26 After reviewing CertainTeed's motion and its proposed order granting that motion, it
27 appears that the following statements are at issue:

- 1) Presidential shingles' "real functional life . . . is only 10-15 years," as stated in
2 the Dear Homeowner Letter;
- 3) Presidential shingles "will not be able to pass a resale inspection after 15 to 20
4 years," as stated in the Dear Homeowner Letter, and that "most roofs fail in 10
5 to 15 years," as stated in the May 2010 version of Mr. Garcia's website;
- 6) Presidential shingles have "a history of premature failure," as stated in the
7 Dear Homeowner Letter;
- 8) the roof in the photograph that Mr. Garcia included in the Fox Letter and the
9 Schell Letter actually depicts Presidential shingles; and
- 10) Presidential shingles have been the subject of class action suit, as stated in
11 various versions of Mr. Garcia's website and in each of the letters before the
12 court.

13 **A. CertainTeed Fails to Demonstrate that Several of Mr. Garcia's Statements
14 Were Made "in Commerce" Within the Scope of the Lanham Act.**

15 CertainTeed devotes most of its motion to the assertion that the statements it
16 targets are false advertising in violation of the Lanham Act. The Lanham Act prohibits,
17 among other things, the "use in commerce" of "false or misleading description[s] of fact"
18 or "false or misleading representation[s] of fact" that "misrepresent[] the nature,
19 characteristics, qualities, or geographic origin of his or her or another person's goods,
20 services, or commercial activity." 15 U.S.C. § 1125(a)(1).

21 CertainTeed focuses almost exclusively on the falsity of Mr. Garcia's statements,
22 ignoring the threshold requirement that the statements be "use[d] in commerce." As the
23 Ninth Circuit observed in *Southland Sod Farms v. Stover Seed Co.*, 108 F.3d 1134, 1139
n.3 (9th Cir. 1997), Congress amended the Lanham Act in 1988 to require that the false
24 advertisement itself be used in interstate commerce.

25 Mr. Garcia's statements on his website were made in interstate commerce. The
26 internet, by its nature, is accessible by an interstate audience. *Healthport Corp. v. Tanita*

1 *Corp. of Am.*, 563 F. Supp. 2d 1169, 1180 (D. Or. 2008) (holding that statements made on
2 website were advertisements placed into interstate commerce); *Trafficschool.com, Inc. v.*
3 *Edriver, Inc.*, 633 F. Supp. 2d 1063, 1074 (C.D. Cal. 2008) (same). By referring to
4 CertainTeed products and other asphalt shingles that are sold in interstate commerce, Mr.
5 Garcia draws an interstate audience, and thereby places his website statements within the
6 ambit of the Lanham Act.

7 It is not at all clear, by contrast, that Mr. Garcia's statements in letters to
8 Washington homeowners come within the scope of the Lanham Act. Mr. Garcia, a
9 Washington resident, sent those letters to other Washington residents. Although Mr.
10 Garcia has not revealed everyone to whom he sent letters, there is no suggestion that he
11 targeted anyone other than Washington homeowners.

12 CertainTeed's sole attempt to address the interstate commerce requirement as to
13 Mr. Garcia's letters is to cite two cases that either were decided before the 1988 Lanham
14 Act amendments or rely on pre-1988 precedent. CertainTeed SJ Mot. at 21. No Ninth
15 Circuit precedent squarely addresses the post-1988 interstate commerce requirement.
16 The Third Circuit did so in *Highmark, Inc. v. UPMC Health Plan, Inc.*, 276 F.3d 160 (3d
17 Cir. 2001). The *Highmark* court concluded that a false advertisement in a Pennsylvania
18 newspaper was made in interstate commerce even though it was undisputedly targeted at
19 Pennsylvania residents and concerned health plans sold solely to Pennsylvania
20 employees. *Id.* at 165-66. The court observed that the newspaper itself was distributed in
21 interstate commerce, that the health plans in some cases permitted out-of-state
22 beneficiaries and out-of-state care, and that the effect of the false statements could cross
23 state lines. *Id.* Without determining which of these findings were necessary or sufficient,
24 the court concluded that the false statements were made in interstate commerce. *Id.*

25 This case is different, in that Mr. Garcia's letters were not likely to reach out-of-
26 state residents. Moreover, although CertainTeed sells its products nationwide, there is no
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1 reason to assume that Mr. Garcia's letters would have an impact on sales outside
 2 Washington.

3 In this case, the only obvious nexus to interstate commerce is that Mr. Garcia used
 4 the United States Postal Service to send the letters. *See United States v. Nader*, 542 F.3d
 5 713, 717-18 (9th Cir. 2008) (noting that United States mail is a “facility in interstate
 6 commerce”). The Lanham Act defines “commerce” broadly to include “all commerce
 7 which may be lawfully regulated by Congress.” 15 U.S.C. § 1127. The use of the mails
 8 is plainly within the scope of Congress’s regulatory authority, and it is thus possible that
 9 Mr. Garcia’s use of the mail is by itself sufficient to bring his letters within the scope of
 10 the Lanham Act. *But see Licata & Co. Inc. v. Goldberg*, 812 F. Supp. 403, 409
 11 (S.D.N.Y. 1993) (concluding that the language of § 1125(a) “reflects a legislative
 12 judgment that for the statute to apply, the questioned advertising or statements, and not
 13 merely the underlying commercial activity, must be disseminated in commerce – i.e., not
 14 be purely local”).

15 The court declines to decide at this time whether Mr. Garcia’s letters can be the
 16 subject of a Lanham Act claim.² As noted, CertainTeed scarcely addressed the interstate
 17 commerce requirement, and Mr. Garcia’s opposition brief does not mention it at all.
 18 Fortunately for CertainTeed, the CPA gives it a route to relief that bypasses the Lanham
 19 Act’s interstate commerce requirement.

20 A private party bringing a CPA claim must prove five elements: “(1) an unfair or
 21 deceptive act or practice, (2) that occurs in trade or commerce, (3) a public interest, (4)
 22 injury to the plaintiff in his or her business or property, and (5) a causal link between the
 23 unfair or deceptive act and the injury suffered.” *Indoor Billboard/Washington, Inc. v.*

24 ² Some courts have questioned whether letters directly targeting a particular customer can serve
 25 as the basis of a Lanham Act claim. *E.g., Garland Co. v. Ecology Roof Sys. Corp.*, 895 F. Supp.
 26 274, 279 (D. Kan. 1995) (holding that a letter disparaging competing roofer sent to one customer
 27 was not advertising within the scope of the Lanham Act). In this case, although Mr. Garcia has
 28 not revealed the scope of his letter-writing campaigns, it is apparent that he regularly uses letters
 like the ones in the record as a means of obtaining business. The Lanham Act reaches this
 conduct.

1 *Integra Telecom, Inc.*, 170 P.3d 10, 17 (Wash. 2007) (citing *Hangman Ridge Training*
2 *Stables, Inc. v. Safeco Title Ins. Co.*, 719 P.2d 531, 533 (Wash. 1986)). Courts
3 considering CPA claims must take guidance from “final decisions of the federal
4 courts . . . interpreting the various federal statutes dealing with the same or similar
5 matters.” RCW § 19.86.920. To that end, there is no question that false advertising
6 within the scope of the Lanham Act (except perhaps for its interstate commerce
7 requirement) is an unfair or deceptive practice within the scope of the CPA. There is no
8 question that Mr. Garcia’s letters were made in trade or commerce and that they caused a
9 business injury to CertainTeed. *Mason v. Mortgage Am., Inc.*, 792 P.2d 142, 148 (Wash.
10 1990) (noting that a CPA plaintiff need not prove monetary damages to prove that it
11 suffered a business injury). The only question is whether the statements made in the
12 letters implicate a public interest.

13 The court finds that Mr. Garcia’s letters satisfy the public interest requirement for
14 a CPA claim. By analogy, trademark infringement, another Lanham Act violation, is
15 usually, but not always, conduct that satisfies the CPA’s public interest requirement.
16 *Seattle Endeavors, Inc. v. Mastro*, 868 P.2d 120, 127 (Wash. 1994) (citing and
17 distinguishing *Nordstrom, Inc. v. Tampourlos*, 733 P.2d 208 (Wash. 1987)). In this case,
18 Mr. Garcia’s letters are part of a concerted campaign to influence the roofing decisions of
19 an unknown number of Washington homeowners. Given that Washington has declared
20 by statute that certain roofing practices “substantially affect the public interest,” the court
21 concludes that Mr. Garcia’s letters do so as well. RCW 19.186.050 (declaring violations
22 of RCW Ch. 19.186 to be CPA violations).

23 **B. Mr. Garcia Has Made False Statements that Violate the CPA and the**
24 **Lanham Act.**

25 The elements of a Lanham Act false advertising claim are as follows:

26 (1) a false statement of fact by the defendant in a commercial advertisement
27 about its own or another’s product; (2) the statement actually deceived or
28 has the tendency to deceive a substantial segment of its audience; (3) the

1 deception is material, in that it is likely to influence the purchasing
 2 decision; (4) the defendant caused its false statement to enter interstate
 3 commerce; and (5) the plaintiff has been or is likely to be injured as a result
 4 of the false statement, either by direct diversion of sales from itself to
 5 defendant or by a lessening of the goodwill associated with its products.

6 *Southland Sod*, 108 F.3d at 1139 (footnote omitted). Not all elements apply in every
 7 case. Proof that an advertisement actually deceived a substantial segment of its audience
 8 is necessary only where the statement is merely misleading, rather than false. *William H.*
 9 *Morris Co. v. Group W, Inc.*, 66 F.3d 255, 258 (9th Cir. 1995) (citing *Johnson &*
 10 *Johnson-Merck v. Rhone-Poulenc Rorer*, 19 F.3d 125 (3d Cir. 1994)). This is an
 11 important distinction, because a plaintiff typically must rely on consumer survey
 12 evidence or other evidence of the audience-wide impact of a defendant's advertising in
 13 order to prove that a "substantial segment" of that audience was misled. *William H.*
 14 *Morris*, 66 F.3d at 258 (misleading 3% of audience insufficient); *Johnson & Johnson*, 19
 15 F.3d at 129-30. Only where a plaintiff proves that a defendant advertised with the intent
 16 to mislead can it avoid proof that the advertisement's audience was in fact misled.
 17 *Harper House, Inc. v. Thomas Nelson, Inc.*, 889 F.2d 197, 210 (9th Cir. 1989). As to the
 18 final element, a plaintiff need not prove actual or likely injury from a false statement
 19 where it seeks only injunctive relief, as CertainTeed does in this motion. *Id.* ("[A]
 20 competitor need not prove injury when suing to enjoin conduct that violates section 43(a)
 21 [(15 U.S.C. § 1125(a))].").

22 For the remainder of this order, the court will consider proof of a Lanham Act
 23 false advertising claim sufficient to prove a CPA violation as well. As noted above, Mr.
 24 Garcia's statements that would violate the Lanham Act but for their use in purely local
 25 commerce will also be deemed violations of the CPA

26 The court now considers whether each of the statements CertainTeed challenges is
 27 false. A statement is "false" within the meaning of the Lanham Act when it is either
 28 literally false or literally true but nonetheless likely to confuse or mislead customers.

1 *Southland Sod*, 108 F.3d at 1139. A statement challenged as false must be “analyzed in
2 its full context.” *Id.*

3 **1. “real functional life . . . is only 10-15 years”**

4 The court need not determine whether this statement is true or false, because it
5 cannot determine that this statement targets CertainTeed. So far as the court can
6 determine, the statement appears solely in the April 2009 version of Mr. Garcia’s
7 website. Esler Decl., Ex. 4 (CT00778). As the court has already noted, that version of
8 the website (at least as CertainTeed has presented it to the court) mentions CertainTeed
9 by name only in an unannotated list of nine manufacturers of roofing shingles. *Id.*
10 (CT00776). There is nothing in this version of the website that targets CertainTeed or
11 any other specific manufacturer. Mr. Garcia notes that “the best [asphalt shingle] options
12 will last 20-25 years, the worst options have failed within 15 years.” *Id.* CertainTeed
13 gives the court no reason to conclude that its shingles are the “worst options” to which
14 Mr. Garcia refers, rather than the “best options.” Although it is possible that a person
15 reading this version of the website would construe Mr. Garcia’s statements to mean that
16 specific CertainTeed shingles would last “only 10-15 years,” the court cannot make that
17 determination as a matter of law. Accordingly, the court cannot grant CertainTeed’s
18 motion as to this statement.

19 **2. Presidential Shingles “will not be able to pass a resale inspection after
20 15 to 20 years” and “most roofs fail in 10 to 15 years.”**

21 This statement that Presidential shingles “will not be able to pass a resale
22 inspection after 15 to 20 years” appears in the Dear Homeowner Letter. That letter
23 undisputedly targets CertainTeed’s Presidential products. Mr. Garcia’s website, as of
24 May 2010, stated that “most roofs fail in 10 to 15 years.” Esler Decl. (Dkt. # 46), Ex. 1
25 (CT00854). That statement appears in a section in which CertainTeed is the only named
26 manufacturer, and includes unsubstantiated “examples” of more than 20 CertainTeed
27 roofs that failed in 10 years or fewer, along with the unsubstantiated statement that “one
28

1 roofing contractor reports submitting over 600 warranty claims to CertainTeed within the
2 last 4 years.” *Id.* Rather than focus on a particular statement, the court will instead
3 consider them collectively by assessing the truth of any statement Mr. Garcia makes
4 contending that all or most CertainTeed roofs will not last beyond a particular term of
5 years or will fail a resale inspection³ after particular term of years.

6 CertainTeed has provided evidence of numerous Seattle-area roofs shingled in its
7 products that have lasted more than 10 years and would pass an inspection after 20 years.
8 This is no easy task, because CertainTeed did not directly sell its products on the West
9 Coast until 1998. Gardiner Decl. (Dkt. # 33) ¶¶ 12-21. Presidential products were sold
10 by their previous manufacturer on the West Coast, but were always sold to distributors,
11 rather than directly to roofers or homeowners. *Id.* Despite the difficulties in tracing its
12 shingles to particular homes, one Seattle-area roofer provided CertainTeed evidence of
13 twenty roofs with Presidential shingles installed between 1991 and 1999. Ivers Decl.
14 (Dkt. # 34) ¶ 3; Haight Decl. (Dkt. # 35). CertainTeed examined several of these roofs
15 and took photographs, declaring each of them to be in good condition, and not in need of
16 replacement in the near future. Ivers Decl. (Dkt. # 34) ¶¶ 3-5; *see also* Gardiner Decl.
17 (Dkt. # 33) ¶¶ 19-20 (discussing 7 Presidential roofs between 16 and 19 years old).
18 Although CertainTeed provided the address of each of these roofs, Mr. Garcia has not
19 provided any evidence to prove that these roofs would not pass a resale inspection. From
20 this evidence, a reasonable jury could only conclude that there are Seattle-area
21 Presidential roofs between 16 and 19 years old that not only could pass a resale
22 inspection, but that would be able to do so after twenty years. Mr. Garcia’s statements
23 are literally false.

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25
26 ³ Mr. Garcia repeatedly refers to “resale inspection.” In his briefing, he explains his belief that
27 unless a prospective homebuyer is told by an inspector that a roof will last at least another five
years, the homebuyer will not purchase the home unless the seller includes a roofing allowance
of at least \$5000.

1 Mr. Garcia attempts to prove that there are one or more Seattle-area CertainTeed
2 roofs that are less than 20 years old and have deteriorated to the point of being unable to
3 pass an inspection. His “evidence” consists of hearsay statements from unnamed roofers
4 and other unnamed sources and his statement that he recently observed two CertainTeed
5 roofs that would not pass inspection, along with the wholly unsubstantiated statements on
6 his website. It is not likely that any of his evidence is admissible, but the court need not
7 decide that issue. Even if Mr. Garcia could prove that there are one or more Seattle-area
8 Presidential roofs that have deteriorated such that they would not pass an inspection in
9 fewer than 20 years, he still would have no basis for declaring that *no* Presidential shingle
10 could pass a resale inspection after 15 to 20 years, and no basis for declaring a specific
11 lifetime for any CertainTeed product, much less a lifetime of ten years or less.

12 **3. “History of premature failure”**

13 Mr. Garcia contends that he has factual support for his statement in the Dear
14 Homeowner Letter that Presidential shingles have “a history of premature failure.” There
15 is no question that CertainTeed products, including Presidential shingles, have been the
16 subject of “claims” by their purchasers. There is no question on this subject because
17 CertainTeed has provided data on the “claims” it has received on its products, defining
18 claims broadly to include virtually any kind of customer inquiry, from oral complaints to
19 warranty claims. Gardiner Decl. (Dkt. # 33) ¶¶ 22-23; Kalkanoglu Decl. (Dkt. # 31)
20 ¶¶ 32-37. CertainTeed’s evidence, although not a model of clarity, shows that only a tiny
21 percentage of its products are the subject of claims, and that the same is true of its
22 Presidential products. Gardiner Decl. (Dkt. # 33) ¶¶ 24-27.

23 Mr. Garcia’s best evidence for his “history of premature failure” statements is the
24 evidence that CertainTeed has provided. As noted previously, Mr. Garcia has managed,
25 for the most part, to produce only hearsay accounts from unnamed sources to support his
26 claims of premature failure. It is likely, as noted previously, that none of this evidence is
27 admissible. Mr. Garcia also contends that he personally observed CertainTeed shingles
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1 in a state of premature failure on Seattle area roofs on two occasions. Garcia Decl. ¶¶ 17-
2 20. There are many reasons to doubt Mr. Garcia's alleged firsthand experiences with
3 "failed" CertainTeed products. He has not provided an address for the homes, the names
4 of the homeowners, or any other information that would allow CertainTeed (or anyone
5 else) to test the veracity of his claims. He has no photographs or other objectively
6 verifiable information. Assuming, for the purposes of this motion, that Mr. Garcia's
7 hearsay and other questionable evidence provides evidence of some roof failures, his
8 evidence is still much less probative than CertainTeed's own evidence.

9 The question before the court is whether evidence that a tiny fraction of
10 CertainTeed's products have failed is sufficient to support Mr. Garcia's statements that
11 the products have a "history of premature failure." The court concludes that Mr. Garcia's
12 statements are literally false by necessary implication.

13 A statement can be literally false on its face, or literally false by necessary
14 implication. *E.g., Southland Sod*, 108 F.3d at 1139; *Time Warner Cable, Inc. v. DirecTV,*
15 *Inc.*, 497 F.3d 144, 148 (2d Cir. 2007) ("[W]e hold that an advertisement can be literally
16 false even though it does not explicitly make a false assertion, if the words and images,
17 considered in context, necessarily and unambiguously imply a false message."). A
18 statement is literally false by implication if, read in context, it unambiguously conveys a
19 literally false message. *Castrol Inc. v. Pennzoil Co.*, 987 F.2d 939, 946-47 (3d Cir.
20 1993). The key to invoking the literally-false-by-necessary-implication doctrine is that
21 the implied statement must be unambiguous. *Id.* at 947, *Time Warner*, 497 F.3d at 158.
22 An ambiguous statement cannot be literally false, and can only be false advertising if it is
23 shown to be likely to deceive or mislead consumers. *Time Warner*, 497 F.3d at 158.

24 Placed in the context of the letter in which it appears, Mr. Garcia's statement in
25 the Dear Homeowner Letter that CertainTeed's Presidential shingles "have a history of
26 premature failure" is false by necessary implication. Standing alone, the phrase could
27 perhaps be interpreted to mean that the shingles have had a few incidences of undesirable
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1 performance. But in the context of a letter that asserts that the products “will not be able
 2 to pass a resale inspection after 15 to 20 years,” a “history of premature failure” is not the
 3 exceedingly limited evidence of undesirable performance before the court, but rather a
 4 body of evidence showing that CertainTeed products inevitably or nearly inevitably
 5 “fail”⁴ to the point that they no longer function within 15-20 years. There is no such
 6 body of evidence. Mr. Garcia admits as much. Garcia Depo. at 100-01 (“That all
 7 pumpkin tooth products start splitting apart at 15 years, I have no proof of that. If this
 8 case is going to boil down to “do 100 percent of pumpkin tooth products split at Year 15
 9 or about Year 15, then I’ll concede the whole case right now.”).

10 **4. That the Photograph Included in the Fox and Schell Letters Depicts a**
“failing” Presidential Shake.

11 Mr. Garcia offers nothing more than his own say-so to support his assertion in the
 12 Fox and Schell Letters that the enclosed photograph is of a “failing ‘Presidential Shake.’”
 13 He has been asked both at his deposition and in discovery requests to provide evidence
 14 for his claim, and he has failed to do so, contending that his sources are confidential.
 15 Garcia Depo. 109-11, 115. He failed to provide an address for the house so that
 16 CertainTeed could verify his claims.

17 Against Mr. Garcia’s say-so, CertainTeed has offered the testimony of an expert
 18 witness who contends that the shingles depicted in the photograph are organic asphalt
 19 shingles, and thus not CertainTeed Presidential products. Metz Decl. ¶¶ 23-32.
 20 Typically, the court does not resolve such factual contradictions in a summary judgment
 21 motion. In this case, however, Mr. Garcia offers nothing to contradict Mr. Metz’s
 22 assessment that the defects depicted in the photographs occur only in organic shingles.

23

24

25 ⁴ Mr. Garcia also suggests that the word “failure” is merely an expression of opinion, because
 26 what constitutes “failure” in one person’s mind might not be in another’s. The court finds no
 27 merit in this position. To anyone with a reasonable command of the English language, “failure”
 28 connotes a serious adverse event, and in the context of Mr. Garcia’s advertisements, it connotes a
 roof that no longer functions.

1 Without such evidence, Mr. Garcia fails to raise a genuine issue of material fact for trial.
2 His assertion that the photograph depicts Presidential products is false.

3 **5. That Presidential Shingles Are “Part of” or “named products” in Class
4 Action Lawsuits.**

5 In the Schell and Fox Letters, Mr. Garcia declares that “CertainTeed ‘pumpkin
6 tooth’ products (Presidential Shake, Presidential TL) and the Landmark series of shingles
7 are currently part of a class action lawsuit for premature failure.” In the Dear
8 Homeowner Letter, Mr. Garcia states that “CertainTeed is currently in a class-action
9 lawsuit (again) for marketing ‘defective’ roofing shingles – and that the Presidential TL
10 is a named product in the class action lawsuit.” In the May 2010 version of his website,
11 he declares that Presidential shingles (among others) are “involved in” class actions.
12 Esler Decl. (Dkt. # 46), Ex. 1 (CT00853).

13 Mr. Garcia’s statements are literally true. Presidential Shingles (and other
14 CertainTeed shingles) have been accused in numerous class action products liability
15 lawsuits. CertainTeed admits as much. Garcia Decl., Ex. 3 at 14. Those suits have been
16 consolidated for pretrial purposes by the United States Judicial Panel for Multidistrict
17 Litigation. A consolidated settlement of those suits is apparently pending court approval.

18 CertainTeed argues that although Presidential shingles and its other fiberglass
19 shingles were originally part of some of those lawsuits, the suits have since focused
20 solely on organic shingles. Even so, that does not change that Presidential shingles
21 remain a named product in the lawsuits. Even if the current settlement efforts focus on
22 organic shingles, it is not inaccurate to say that fiberglass shingles (including the
23 Presidential products) remain “part of” or “involved in” the lawsuits.

24 While CertainTeed cannot prove Mr. Garcia’s statements about the class actions to
25 be literally false, it may be able to prove that they are misleading, and that Mr. Garcia
26 either made them with the intent to mislead or that they succeeded in misleading a
27 substantial segment of their audience. Indeed, it is likely they will succeed in proving as

1 much, given the context in which Mr. Garcia's statements appear. On the evidence
2 presented in these motions, however, the court cannot decide the issue as a matter of law.

3 **D. Mr. Garcia's Efforts to Avoid Summary Judgment and to Obtain Partial
4 Summary Judgment on His Own Behalf Are Insufficient.**

5 Before concluding its discussion of the summary judgment motions, the court
6 considers Mr. Garcia's effort to obtain partial summary judgment as well as additional
7 defenses he raises in an attempt to avoid summary judgment against him.

8 The essence of Mr. Garcia's summary judgment motions is that he is entitled, as a
9 matter of law, to attack the durability of CertainTeed products because CertainTeed
10 cannot prove the durability of any of its products. For example, he contends that because
11 CertainTeed cannot point to a CertainTeed roof in the Seattle area that has lasted more
12 than 15 years, he is free to say that CertainTeed roofs cannot last beyond 15 years. He is
13 mistaken. First, as already noted, CertainTeed has provided uncontroverted evidence of
14 Seattle-area Presidential roofs that have lasted for 16 to 19 years, and are in no apparent
15 danger of failing. This evidence, by itself, shows Mr. Garcia's statements to be false, as
16 previously noted. But even if CertainTeed were unable to provide such examples, that
17 would not give Mr. Garcia license to assert that CertainTeed roofs will not last beyond a
18 certain period of years. Mr. Garcia's theory of lawful advertising finds no support in law
19 or common sense. He can no more declare that "CertainTeed's roofs fail after 20 years,
20 unless CertainTeed proves me wrong," than Pepsi can declare that "people who drink
21 Coca-Cola die 20 years later, unless Coca-Cola proves us wrong."

22 Mr. Garcia contends that his advertisements do not express facts, but rather
23 opinions about CertainTeed's products. Mr. Garcia is correct to note that opinions cannot
24 generally be the subject of a false advertising action. *E.g., Groden v. Random House,*
25 *Inc.*, 61 F.3d 1045, 1051 (2d Cir. 1995). His efforts, however, to cast his misstatements
26 as mere opinion are not persuasive. For example, he observes that CertainTeed's
27 declarants have varying views about the lifetime of CertainTeed products. He contends
28

1 that his observations are no more true or false than the views of these declarants. He is
2 mistaken. The evidence shows that the lifetime of any roofing product, whether
3 CertainTeed's or another manufacturer's, depends on a variety of factors: the quality of
4 the product, the manner in which it is installed, and the weather to which it is exposed, to
5 name a few. For these reasons, it is understandable that no one really knows how long a
6 particular CertainTeed roof will last. If Mr. Garcia's advertisements merely expressed
7 these uncertainties, he might have escaped CertainTeed's lawsuit. Instead, he expresses
8 with certainty that all or most CertainTeed roofs will not last beyond a term of years he
9 arbitrarily decrees. These are statements of fact, not opinion, and he has no evidence to
10 counter CertainTeed's evidence that they are false.

11 Mr. Garcia's advertisements do contain numerous statements of opinion. For
12 example, many versions of his website contain extended discussions about roofing
13 product warranties, including CertainTeed's warranties. The gist of Mr. Garcia's opinion
14 is that warranties are deceptive marketing tools, because they imply to customers that the
15 lifetime of the product is the term of the warranty. Moreover, Mr. Garcia believes that
16 warranties mislead consumers into thinking that a roof that fails before the warranty
17 expires will be replaced, when in fact the warranties provide only limited coverage.
18 These statements are either pure opinion or opinion marbled with facts that can be neither
19 proven nor disproven. CertainTeed has not challenged those statements. Indeed, it has
20 not challenged any opinion expressed in Mr. Garcia's website.

21 Mr. Garcia is also mistaken in his view that CertainTeed's own allegedly
22 misleading or deceptive marketing practices excuse his own. Mr. Garcia falls well short
23 of proving false advertising on CertainTeed's behalf. Even if he had, however,
24 CertainTeed's alleged wrongdoing does not give him license to spread falsehoods.

25 There is much more that the court could discuss from Mr. Garcia's briefs. He
26 accuses CertainTeed of fraud, perjury, and more. He refers to CertainTeed's witnesses as
27 "shills." None of these contentions warrant serious discussion. Mr. Garcia has not
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1 proven that he is entitled to summary judgment on any issue in this case, and he has not
2 provided any valid defenses to CertainTeed's false advertising claims, except as the court
3 has noted above.

4 To summarize its discussion of the five statements CertainTeed challenges as false
5 advertising, the court finds three of them false as a matter of law. All of them are
6 undisputedly material to a customer's decision to purchase roofing products. With one
7 exception, those statements were made solely in letters to Washington homeowners, so
8 the court declines to decide whether they were made in interstate commerce and within
9 the scope of the Lanham Act. The court concludes that these statements violate the CPA
10 as a matter of law, but not necessarily the Lanham Act. Mr. Garcia's website statements
11 declaring, for example, that most CertainTeed roofs fail in 10 to 15 years, violate both the
12 Lanham Act and the CPA.

13 The court will now consider Mr. Garcia's discovery misconduct, followed by a
14 discussion of whether CertainTeed's partial summary judgment victory entitles it to a
15 permanent injunction.

16 **E. Mr. Garcia Has Refused to Fulfill His Discovery Obligations.**

17 CertainTeed served a set of interrogatories and requests for production of
18 documents in September 2009. Mr. Garcia's October 2009 responses, though timely,
19 were woefully inadequate. CertainTeed attempted to cajole him into providing complete
20 responses, but was not successful.

21 CertainTeed filed a motion to compel noted for March 26, 2010. Mr. Garcia filed
22 no opposition to the motion. On March 24 through March 26, however, he provided
23 supplemental discovery. The supplemental discovery addressed some of the gaps in his
24 previous responses, but not all of them.

25 Two areas of deficiency in Mr. Garcia's responses are of particular concern. First,
26 he has failed to identify to whom he has sent letters that target CertainTeed. Without
27 knowing how widespread Mr. Garcia's advertising has been, CertainTeed is at a serious
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1 disadvantage. Second, Mr. Garcia has failed to provide evidence backing up his claims
 2 about CertainTeed products. In particular, he has failed to provide evidence as to the
 3 provenance of the photograph he has been sending to consumers that allegedly depicts a
 4 “failed” CertainTeed roof.

5 Rather than discuss each of Mr. Garcia’s discovery shortcomings in detail, the
 6 court simply finds that he has failed to provide discovery in compliance with the law. He
 7 has two options. He can either provide such discovery at least one month before the trial
 8 date in this matter, or he can face adverse evidentiary inferences at trial. In particular, the
 9 court will not permit him to rely at trial on evidence that he did not produce in discovery.
 10 Moreover, to the extent that his failure to provide discovery has prejudiced CertainTeed’s
 11 ability to prove portions of its case, the court will instruct the jury to make appropriate
 12 findings in CertainTeed’s favor as a sanction for these discovery violations. In addition,
 13 the court will, on proper motion, impose monetary sanctions because Mr. Garcia
 14 unreasonably forced CertainTeed to bring this motion to compel.

15 The court will accordingly remove CertainTeed’s discovery motion from its
 16 calendar, without prejudice to CertainTeed raising the same issues again in a pretrial
 17 motion for evidentiary and monetary sanctions.

18 **F. CertainTeed is Entitled to a Permanent Injunction.**

19 The court now turns to CertainTeed’s request to permanently enjoin Mr. Garcia
 20 from making the three false statements identified in Part III.C, *supra*. Both the CPA and
 21 the Lanham Act authorize injunctive relief.⁵ RCW § 19.86.090; 15 U.S.C. § 1116(a).

22 A party seeking a permanent injunction must satisfy a standard that “is essentially
 23 the same” as the standard for preliminary injunctive relief. *Amoco Production Co. v. Vill.*
of Gambell, 480 U.S. 531, 546 n.12 (1987); *see also Winter v. Natural Res. Def. Council,*

25
 26 ⁵ As the court has noted, this motion does not require it to determine whether CertainTeed can
 27 invoke the Lanham Act with respect to statements Mr. Garcia made in letters. Should this matter
 proceed to trial, CertainTeed will need to address this question, as there are substantial
 differences between the remedies that the CPA and Lanham Act provide.

1 *Inc.*, 129 S.Ct. 365, 381 (2008) (noting that a judge considering a permanent injunction
2 must balance equities and consider public interest, just as if considering a preliminary
3 injunction). The key difference is that a litigant seeking preliminary relief must
4 demonstrate a likelihood of success on the merits, whereas a litigant seeking a permanent
5 injunction has already succeeded on the merits. *Amoco*, 480 U.S. at 546 n.12. A
6 permanent injunction, like a preliminary injunction, is an extraordinary remedy.
7 *Weinberger v. Romero-Barcelo*, 456 U.S. 305, 313 (1982). Even after a litigant has
8 succeeded on the merits, “a federal judge sitting as chancellor is not mechanically
9 obligated to grant an injunction for every violation of law.” *Id.*

10 Because CertainTeed has succeeded in proving that three of Mr. Garcia’s
11 statements are unlawful false advertising, the court need only consider whether those
12 statements will irreparably harm CertainTeed if not enjoined, whether the balance of
13 equities favors an injunction, and whether the public interest favors an injunction.

14 CertainTeed has proven that it has been and will continue to be irreparably harmed
15 by Mr. Garcia’s false statements. CertainTeed has no way of determining who has
16 received Mr. Garcia’s false statements, or who will receive them absent an injunction.
17 For that reason, CertainTeed can do nothing to correct the untruths that Mr. Garcia
18 spreads. Even if CertainTeed could identify every member of Mr. Garcia’s audience, it
19 cannot stop the spread of the false statements, nor can it undo their damaging effect.
20 Money damages are inadequate, CertainTeed has been irreparably harmed, and it will
21 continue to be irreparably harmed absent an injunction.

22 The balance of equities favors CertainTeed. Mr. Garcia presents no countervailing
23 equitable considerations that would weigh against an injunction to end the harm to
24 CertainTeed. This is particularly so where nothing prevents Mr. Garcia from advertising
25 his business without false statements. If he wishes to discuss what he perceives to be the
26 disadvantages of asphalt shingles, he is free to do so. If he wishes to extol the virtues of
27 other products, he is free to do so. If he wishes to point out that CertainTeed has paid
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1 some warranty claims on its products, he is free to do so. If he wishes to point out that
2 the period of CertainTeed's product warranty is tenuously related to the lifetime of its
3 products, he is free to do so. If he wishes to criticize CertainTeed's warranty coverage as
4 inadequate, he is free to do so. Why Mr. Garcia insists on using falsehoods is not
5 apparent, but it is apparent to the court that ending the falsehoods will neither end Mr.
6 Garcia's business nor prevent him from advertising it. For that reason, the balance of
7 equities clearly favors an injunction against Mr. Garcia's false statements.

8 Finally, the public interest is undoubtedly best served by an injunction. No third
9 party (except perhaps the roofers and manufacturers who are not the targets of Mr.
10 Garcia's falsehoods) benefits from the spread of his falsehoods. Whatever choices
11 consumers make about roofing, they are best served by being able to do so in a
12 marketplace free of false statements.

13 **IV. PERMANENT INJUNCTION**

14 The court enters the following permanent injunction. Defendant James Garcia is
15 permanently enjoined from making the following false statements in any advertising
16 promoting his roofing business (including Seattle RoofBrokers, all other "RoofBrokers"
17 businesses, and any other roofing business Mr. Garcia promotes):

- 18 1) that CertainTeed products "have a history of premature failure;"
- 19 2) that CertainTeed products will fail or will not pass a resale inspection after 15-
20 years, or any other statements in which Mr. Garcia represents that the
21 majority of CertainTeed roofs will fail or will not pass an inspection after a
22 particular term of years; and
- 23 3) that the photograph Mr. Garcia has included in the Fox and Schell letters
24 depicts CertainTeed products.

25 Mr. Garcia is enjoined from sending letters or other direct communications to
26 customers containing these misstatements or other misstatements.

1 As to Mr. Garcia's website (whether at www.seattleroofbrokers.com or any other
2 domain he controls), he has two options. He may, at the top of *every* page on his website,
3 include a prominent hyperlink (of a font size at least as large as any other font used on the
4 page) to an electronic version of this order. The text of the hyperlink shall include the
5 following statement: "Please click here for court order finding that this website contains
6 false statements." His website must continue to include these hyperlinks until he
7 removes every false statement that violates this order, at which time he can notify the
8 court that the false statements have been removed. If the court finds that the false
9 statements have been removed, it will permit him to remove the hyperlinks.

10 Alternatively, Mr. Garcia may take his website "offline," remove the false statements,
11 submit the new website content to the court for approval, and await court approval before
12 placing his website online.

13 The court emphasizes that it will conduct contempt proceedings if Mr. Garcia fails
14 to comply with this order. It also emphasizes that to the extent Mr. Garcia "complies"
15 with this order by modifying the words of his advertisements without modifying their
16 unlawful message, he will nonetheless be subject to contempt sanctions.

17 Mr. Garcia shall comply with this injunction no later than July 12, 2010.

18 V. CONCLUSION

19 For the reasons stated above, the court DENIES Mr. Garcia's summary judgment
20 motion (Dkt. ## 27, 28), DENIES CertainTeed's discovery motion (Dkt. # 22) without
21 prejudice, and GRANTS in part and DENIES in part CertainTeed's summary judgment
22 motion (Dkt. # 40). The court imposes the permanent injunction set forth in the previous
23 section.

24 This matter is set for trial on August 2, 2010. In a June 9 minute order, the court
25 vacated the mediation deadline pending the court's disposition of these motions. The
26 court now imposes a mediation deadline of July 16, 2010. Mr. Garcia has submitted a
27 declaration to the court in an effort to prove that he cannot afford mediation. As
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1 CertainTeed points out, the declaration is vague, and there are reasons to doubt several of
2 Mr. Garcia's assertions. If Mr. Garcia is to avoid any cost in this litigation, he will need
3 to provide specific and substantiated evidence of his financial status. Nonetheless, rather
4 than delay mediation while conducting further inquiry into Mr. Garcia's ability to pay,
5 the court orders the parties to proceed to mediation. CertainTeed will pay the full cost of
6 mediation. If CertainTeed chooses, it may request Mr. Garcia's half of mediation
7 expenses as an item of cost at the conclusion of this suit.

8 As the parties prepare for mediation, the court observes that they both have much
9 to gain from reaching their own resolution of this dispute. It is apparent that this dispute
10 has engendered much ill will from Mr. Garcia toward CertainTeed. That ill will does not
11 excuse Mr. Garcia's false statements, but Mr. Garcia can continue to target CertainTeed
12 and its products via truthful statements or statements of opinion. The court's review of
13 Mr. Garcia's advertisements suggests that many of his statements are either truthful or
14 non-actionable opinion that will serve to discourage some people from using CertainTeed
15 products. Mr. Garcia, on the other hand, should realize that on the record before the
16 court, CertainTeed is highly likely to succeed at trial in proving that other statements Mr.
17 Garcia made are misleading and injured CertainTeed, and is likely to prevail on its other
18 causes of action as well. The cost of trial is thus likely to be very high. Not only will the
19 trial itself divert Mr. Garcia's time away from his business, but the result of the trial is
20 likely to further damage him via a verdict in CertainTeed's favor, and costs (including the
21 cost of mediation) to be imposed against him. In short, there are many reasons why a
22 trial might not be in either party's best interests.

23 DATED this 28th day of June, 2010.

24
25 
26

27 The Honorable Richard A. Jones
28 United States District Judge